



## STATE BOARD OF EQUALIZATION

450 N Street, MIC: 64, Sacramento, California  
(P. O. Box 942879, Sacramento, CA 94279-0001)

Telephone: (916) 445-4982  
FAX: (916) 323-8765

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No. 94/17

March 2, 1994

TO COUNTY ASSESSORS:

### UPDATE FOR ASSESSORS' HANDBOOK SECTION 581. EQUIPMENT INDEX FACTORS

Enclosed are updates to the tables contained in Assessors' Handbook Section 581, Equipment Index Factors. Continuing a procedure established with last year's handbook, only the updated trend and depreciation tables are included. By appending these tables to last year's handbook, you will have a comprehensive handbook covering both years.

The format of the trend tables, Tables I, II, and III, have been changed slightly to improve readability. Table IV, Agriculture and Construction Mobile Equipment, is again included. We recommend you apply the market derived percent good factors contained in Table IV when valuing this type of equipment.

Table V, Machinery and Equipment Percent Good Factors, incorporates a rate of return of 6.5 percent. This is a drop of 1 percent from the 1993 handbook and continues the drop which has been occurring in recent years as the cost of capital has been dropping.

If you would like a copy of the complete handbook or have questions or comments, please contact this division at (916) 445-4982.

Sincerely,

Verne Walton, Chief  
Assessment Standards Division

VW:sk  
Enclosure